



CAFTA FACTS FOUR POUNDS OF STEAK A MONTH

Prepared by the Office of Congressman Sherrod Brown

The local D.C. going price for a 1 and ¼ inch USDA Choice Porterhouse steak is \$13.99 per pound. The minimum wage in Guatemala is 420 Guatemala Quetzales, or \$54 US dollars per month.

At the current minimum wage, a Guatemalan laborer could buy just under four pounds of steak per month. That's enough steak to last a family a few days. Unfortunately, the steak purchase would leave them without money for housing, water, clothing, medicines, healthcare, or any other necessities.

When you consider that a typical Central American consumer earns only a small fraction of a typical American worker's wage, it becomes clear that CAFTA's true objective is not to increase U.S. exports.

The big trade agreement being pushed on Congress is CAFTA. But the combined purchasing power of the CAFTA nations is almost identical to the purchasing power of Columbus, Ohio, or New Haven, Connecticut. The U.S. economy, with a \$10 trillion GDP in 2002, is 170 times bigger than the economies of the CAFTA nations, at about \$62 billion combined.

Central American consumers cannot afford to buy American-made goods today—more than 40 percent of workers in the region live below the global poverty level—and CAFTA's inadequate labor provisions ensure they will be unable to afford American-made goods tomorrow. This agreement offers little or no economic opportunity for American workers and producers.

It does benefit companies that leave the U.S. They not only can exploit cheap labor in countries with minimal protections, but can import those products back to the U.S. under favorable terms.

CAFTA is not about robust markets for the export of American goods—Central American workers cannot afford them. It is about access to cheap labor. Multinational corporations make more money, American workers lose their jobs, and foreign workers face more exploitation. It is the same old story.

The CAFTA model is a recipe for disaster. Congress must devise a trade agreement to promote business development and jobs in the U.S. as well as economic advancement overseas. CAFTA should help Central American workers earn enough to buy American-made products. It's time to rethink U.S. trade policy and do what's right, not just for multinational corporations, but what's right for workers, small businesses, communities, and the environment.

The president is on the wrong track. Congress must demand a smarter trade deal than CAFTA.